

Market Commentary

Recap: Oil futures posted modest losses on Friday, but gained on the week. Prices discounted the storm related premium as Hurricane Laura made landfall, leaving behind little damage to the oil industry. Weakness in the dollar couldn't even provide support for this market, which has been experiencing low volatility since bouncing off of record lows. October WTI fell 7 cents, or 0.2%, to settle at \$42.97 a barrel, for a weekly gain of 1.5%. The soon to expire October Brent lost 4 cents, or 0.09%, finishing the week at \$45.05 a barrel, a weekly gain of 1.6%. September RBOB rose 2.4% to \$1.3155 a gallon, up 2.5% on the week, while September heating oil added nearly 0.5%, settling at \$1.2162 a gallon, up 0.7% on the week. Both products expire on Monday.

Technical Analysis: WTI rallied this week but has given back some of its gains. This market is still in an uptrend, while continuing to trade in a choppy fashion, as it grinds higher. Based upon a weekly spot continuation chart, the October contract is above \$42.20, the 50% retracement provided by the January high of \$76.26 and the April low of \$8.13. Given the fact that this market is still in an uptrend we would expect to see buyers on dips. Below \$42.20, there is support set at \$41.46 and below that at \$40. To the upside, resistance rests at \$46.43 and \$49.

Fundamental News: U.S. energy companies kept the number of oil and natural gas rigs operating unchanged this week. Baker Hughes reported that U.S. oil rigs fell by three to 180 in the week ending August 28th, while gas rigs increased by three to 72. In August, the oil and gas rig count increased by three to 254.

The U.S. Bureau of Safety and Environment Enforcement said energy companies shut 84% of Gulf of Mexico crude oil output due to Hurricane Laura.

Royal Dutch Shell is beginning to redeploy personnel to all its assets in the Gulf of Mexico that were not impacted by the recent storms, including those in the Norphlet and Mars Corridors. It also expects to begin inspections of potentially affected assets Auger, Enchilada and Salsa to determine when personnel can re-deploy and resume operations at those platforms. Shell shut in production at all but one of its nine operated assets in the Gulf of Mexico.

The U.S. Energy Department said it was reviewing "minor impacts" from Hurricane Laura at a Texas site of the national emergency oil reserve and hopes to begin assessing the status of one of the facility's sites closer to the storm in Louisiana. The department evacuated workers and closed two of the four sites of the SPR. A reentry team reached the Bill Hill site in Texas late on Thursday. The department intends to deliver oil over the weekend from Big Hill as previously scheduled for a storage exchange program. It hopes some members of a reentry team will enter the West Hackberry site on Friday to begin damage assessments and restart operations.

Oil and gas exports from the U.S. have been disrupted by Hurricane Laura, with nearly a million bpd of crude exports likely reduced this week by closures of U.S. Gulf Coast terminals and disruptions at ports. The hurricane also temporarily suspended operations at several liquefied natural gas facilities, with shipments on track to fall to their lowest in 18 months. According to the U.S. Coast Guard, the ports of Lake Charles, Beaumont and Port Arthur remained closed on Thursday. Meanwhile, the Port of Houston, which accounts for about 600,000 bpd of shipments, closed on Wednesday and was in the process of reopening to commercial shipping late Thursday.

Early Market Call - as of 8:30 AM EDT

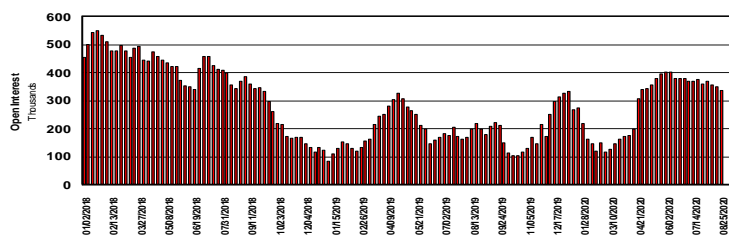
WTI - Oct \$43.31, up 34 cents
 RBOB - Sep \$1.3055, down 1 cent
 HO - Sep \$1.2250, up 88 points

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-20	1.2162	0.0055	-0.0082
Oct-20	1.2403	0.0110	-0.0120
Nov-20	1.2620	0.0104	-0.0127
Dec-20	1.2843	0.0095	-0.0133
Jan-21	1.3052	0.0089	-0.0136
Feb-21	1.3228	0.0086	-0.0144
Mar-21	1.3353	0.0086	-0.0152
Apr-21	1.3419	0.0091	-0.0156
May-21	1.3512	0.0097	-0.0161
Jun-21	1.3619	0.0101	-0.0163
Jul-21	1.3766	0.0102	-0.0162
Aug-21	1.3903	0.0101	-0.0158
Sep-21	1.4030	0.0104	-0.0154
Oct-21	1.4145	0.0104	-0.0152
Nov-21	1.4253	0.0105	-0.0154
Dec-21	1.4338	0.0106	-0.0155
Jan-22	1.4451	0.0105	-0.0158

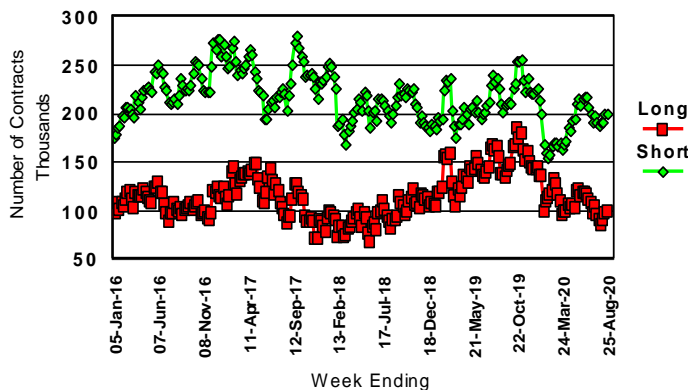
Sprague Heat Weighted Strip October -April 20/2021		\$1.3031
	Close	Change
Crude - WTI	\$42.9700	-\$0.0700
Crude - Brent	\$45.0500	-\$0.0400
Natural Gas	\$2.6570	-\$0.0530
Gasoline	\$1.3155	-\$0.0310

WTI Futures & Options: NYMEX & ICE Combined Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending August 25, 2020

Producer/Merchant Heat Positons
 CFTC Commitment of Traders Report



Managed Money Heat Positons
 CFTC Commitment of Traders Report

